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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, DECEMBER 15, 2000

APPLICATION OF

APPALACHIAN POWER COMPANY

d/b/a AMERICAN ELECTRIC POWER

CASE NO. PST000001

For correction of assessment of
gross receipts taxes and for a
refund - Tax Year 2000

ORDER FOR DOCKETING AND FOR NOTICE

On November 22, 2000, Appalachian Power Company d/b/a American Electric Power ("Appalachian" or "Company") filed its Petition for Correction and Application for Refund (hereinafter "Petition") pursuant to § 58.1-2030 of the Code of Virginia. According to its Petition, at 2-3, the Company overstated its reported gross receipts for taxable year 1999 by erroneously including amounts that it did not collect from retail and wholesale customers. As supported by calculations in the Petition at 3, and Schedules A, B, and C to the Petition, the Company states that it is entitled to a refund of state license tax in the amount of \$1,007,318.66 and to a refund of special regulatory revenue tax in the amount of \$54,539.58.

For tax year 2000, the Commission assessed Appalachian \$6,887,042.14 in annual license tax levied on gross receipts pursuant to § 58.1-2626 of the Code of Virginia and

\$1,279,528.57 in special regulatory revenue tax levied on gross receipts pursuant to § 58.1-2660 of the Code of Virginia.

Assessment for 2000 of Water, Heat, Light or Power Corporations, Order No. 000000007 (May 12, 2000).

Commission records show that Appalachian was billed for the assessed amount of special regulatory tax for tax year 2000, and the Company paid the bill in full on May 31, 2000. As noted, Appalachian filed its Petition on November 22, 2000. It appears to the Commission that Appalachian has filed for correction of its tax year 2000 assessment of special tax and for a refund within one year of payment as required by § 58.1-2030 of the Code.

Determining the timeliness of the filing for correction of the annual license tax assessment requires further review of Commission records. The Commission did not bill the Company for the assessed amount of annual license tax in May 2000. As provided by § 58.1-2643, § 58.1-2644, and § 58.1-2647 of the Code of Virginia, Appalachian made quarterly estimated payments on account of the annual license tax for tax year 2000. The sum of Appalachian's 1999 quarterly payments of the estimated tax exceeded its May 2000 assessment of annual license tax for tax year 2000 by \$902,297.86. The Commission refunded the overpayment on June 12, 2000, as authorized by § 58.1-2647 B of the Code.

Commission records show that Appalachian made an estimated tax payment of \$1,947,335 on December 13, 1999. As discussed, this payment was on account of the annual license tax that was assessed on May 12, 2000. As noted, Appalachian filed its Petition on November 22, 2000, and the Company seeks refund of a sum less than the December 1999 payment. In these circumstances, it appears to the Commission that Appalachian has timely filed for correction of its tax year 2000 annual license tax assessment and for a refund.

Accordingly, IT IS ORDERED THAT:

(1) The Company's application be docketed as Case No. PST000001 and that all associated papers be filed therein.

(2) On or before December 28, 2000, the Company shall serve a copy of this Order for Docketing and for Notice on the Attorney General, the Comptroller, and the Tax Commissioner. Service shall be made by first-class mail, postage prepaid, or by other means of delivery to their business address.

(3) On or before January 19, 2001, the Attorney General, the Comptroller, the Tax Commissioner, or any person who expects to submit evidence, to cross-examine witnesses, and to otherwise participate in this proceeding as a Protestant pursuant to Rule 4:6 of the Commission's Rules of Practice and Procedure, 5 VAC 5-10-180, shall file an original and five (5) copies of a Notice of Protest with the Clerk of the State Corporation

Commission, c/o Document Control Center, P.O. Box 2118,
Richmond, Virginia 23218-2118 and shall simultaneously serve a
copy on Anthony Gambardella, Esquire, Woods, Rogers &
Hazlegrove, P.L.C., 823 East Main Street, Suite 1200, Richmond,
Virginia 23219.

(4) On or before January 5, 2001, the Company shall file
with the Clerk a certificate of the service directed in Ordering
Paragraph (2).

(5) This matter is continued.